
Higher Education Committee

HB 2072

Brief Description: Increasing access to higher education.

Sponsors: Representatives Wallace, Haigh, McDermott, Hunter, Sells, Linville, Pedersen, Kenney, Moeller, Morrell, O'Brien, Conway, Eddy, Goodman, Simpson, Hudgins and Ormsby.

Brief Summary of Bill

- Caps resident student tuition increases at 7 percent per year.
- Adopts a per student funding goal of the 60th percentile of the Global Challenge States.
- Expands the State Need Grant to serve students with up to 85 percent of the median family income.
- Expands the State Need Grant to include students taking three or more credits.
- Implements the Opportunity Grants and Opportunity Partnerships programs.
- Creates the Passport to College Program for youth in foster care.
- Requires the Higher Education Coordinating Board to study financial aid access and transparency.
- Identifies options for credits that will only transfer as part of a transfer agreement.

Hearing Date: 2/12/07

Staff: Jennifer Thornton (786-7111).

Background:

Tuition

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

In Washington, from the 1994-95 school year through the 2004-05 school year, tuition and fees increased 76 percent at the public research universities, 72 percent at the public comprehensive institutions, and 79 percent at the public community and technical colleges. During that same time period, at the research universities, the annual tuition increase has ranged from a low of 4 percent to a high of 16 percent. At the community and technical colleges annual tuition increases have ranged from 3.6 percent to 12 percent.

Financial Aid

In 2006-07, more than 76,000 students are expected to receive state assistance. About 99 different colleges and universities are participating in at least one state student aid program.

About \$201 million in state assistance is appropriated for 2006-07. The Higher Education Coordinating Board (HECB) administers 18 different state programs, the largest of which are the State Need Grant (SNG) and State Work-Study (SWS), and Educational Opportunity Grant (EOG). Currently 95 percent of all appropriated state aid is disbursed through these three need-based aid programs. Need-based programs are intended to promote equitable access to higher education for all low- and middle-income students.

Another 5 percent of the appropriation is disbursed through the conditional scholarship and loan repayment programs for prospective teachers and health professionals, merit scholarship programs and other small programs.

State Need Grant

The State Need Grant assisted approximately 65,000 students in 2005-06. This program serves students with up to 65 percent of the median family income, who are enrolled in six quarter credits or more. In 2005, the Legislature passed Substitute House Bill 1345 which directed the HECB to develop a two-year pilot project to assess the need for and feasibility of allowing students enrolled for at least four quarter credits to be eligible for a SNG.

Opportunity Grants

The Opportunity Grants Pilot Program, created from a 2006 operating budget proviso, was designed to test strategies for increasing access to post-secondary education for low income students in job-specific programs. As of December 2006, 436 students were participating in the 10 colleges selected from across the state to participate in the pilot. Of the participants, 68 percent are parents, the average household income is less than \$11,000 per year, and 97 percent remain engaged.

Foster Care

Former foster youth graduate from high school at a lower rate than their non-foster care peers, attend post-secondary education at a lower rate and, if they do attend, have much lower post-secondary graduation rates.

In 2005, the Legislature created an endowed scholarship program for financially needy current and former foster youth ages 16 to 23 years who had been in the state's foster care system six months or longer since turning 14 years old. The HECB publicizes and promotes the program to eligible students with the assistance of an advisory board. The HECB anticipates making the first awards in the 2008-2009 academic year.

Student Transitions

In the Fall of 2005, 52,274 individuals submitted 66,261 applications to public state baccalaureate institutions. Of those 52,274 individuals, 38,312 were Washington residents. Of residents, 21,193 applied directly from high school, and 10,132 applied as transfer students from two-year colleges.

Of the resident applicants who applied for transfer, there were 5,798 students from Washington community and technical colleges who completed an associate degree.

Summary of Bill:

Part 1

Tuition Policy: Tuition increases for resident students are capped at 7 percent per year between the 2007-08 academic year and the 2016-17 academic year. A state goal is adopted that total per student funding levels (from state appropriations plus tuition and fees) are at least the 60th percentile of total per student funding at similar institutions in the Global Challenge States. Without reducing enrollment levels below FY 2007 budgeted levels, the Office of Financial Management will establish a funding trajectory to reach this goal for each four-year institution and the community and technical college system.

Part 2

Expanding the State Need Grant on a Sliding Scale: Student's "maximum" or "base" award amount is determined by the tuition and fees in the educational sector a student attends. The maximum family income for qualification of a SNG award is expanded from 65 percent to 85 percent of the median family income (MFI). Two additional steps are added into the present award structure, expanding eligibility to include:

- A student will receive an award amount of 50 percent if their income level falls between 65 percent and 75 percent of the state's MFI.
- A student will receive an award amount of 25 percent if their income level falls between 75 percent and 85 percent of the state's MFI.

Part 3

Expanding Eligibility for the State Need Grant Program: The minimum enrollment requirement for eligibility for the SNG is changed from half-time to three credits. The enrollment requirement is also reduced from six to three credits for students to qualify for loans or locally administered financial aid programs from institutional financial aid funds.

Part 4

Implementing Postsecondary Opportunities: Students enrolled in "Opportunity Grant-eligible programs of study" will be eligible to receive funding for tuition and fees at the public community and technical college rate, plus \$1,000 per academic year for books, tools, and supplies (both are prorated if the credit load is less than full-time).

It will be phased in as follows:

- Students who enroll prior to January 2010 must have a family income at or below 200 percent of the federal poverty level.
- Students who enroll between January 2010 and January 2012 must have a family income that is at or below the state median family income.
- After January 2012, all students in eligible programs will qualify.

Funding is limited to 45 credits or the semester equivalent, or three years, whichever comes first.

Colleges will receive an enhancement of \$1,500 per full-time equivalent student enrolled in the Opportunity Grant Program whose income is below 200 percent of the federal poverty level.

Opportunity Partnerships: The SBCTC, in partnership with business, labor, and the WTECB, will identify high demand training programs, and designate them as "Opportunity Grant-eligible programs of study." Community and technical colleges and local workforce development councils will partner to develop the Opportunity Partnership Program, which will provide mentoring to Opportunity Grant students.

Part 5

Passport to College Program: Colleges in Washington will receive \$3,500 annually for each former foster youth who earns 45 quarter/30 semester credits from the school. Another \$2,500 is provided for every additional 45 quarter/30 semester credits earned by the former foster youth.

The SBCTC will develop a website to provide comprehensive information to foster youth regarding opportunities for higher education, and will annually award at least one \$25,000 award to the institution(s) of higher education that have been most successful in recruiting, retraining, and graduating former foster youth.

The Department of Social and Health Services will contract with at least one non-governmental entity to provide supplemental educational transition planning to foster care youth beginning at age 15.

All eligible former foster youth between the ages of 16 and 26 will receive financial aid to cover their costs of attending higher education. The institution of higher education attended by the student must first provide the student with all aid for which the student qualifies, plus a supplemental scholarship to the student so the entire amount of the student's cost of attendance is covered. The school will apply to the HECB for reimbursement of the amount of the supplemental scholarship provided to foster youth.

Part 6

Financial Aid Access and Transparency: The HECB will review the types and amounts of need-based financial aid available to students, and the level of students' and parents' understanding about financial aid. Based on the results, the HECB will develop a proposal to simplify the delivery of aid, provide better access to information, and address system gaps. They will submit the proposal to the Legislature by November 2007.

Part 7

Student Transitions: Higher education workgroups will review all approved associate transfer degrees to identify credits that are transferable as a part of a transfer degree, but not on a stand-alone basis. They will identify alternatives to ensure transferability, and provide a status report to the Legislature by January 2008. When developing additional transfer degrees, the work groups will ensure that the greater of 15 total credits or half of the elective credits that are transferable as part of a transfer degree will also be transferable on a course-by-course basis.

Appropriation: The sum of \$3,000,000 for the Passport to College Program.

Fiscal Note: Requested on February 9, 2007.

Effective Date: The bill contains an emergency clause and takes effect immediately.